

BUSINESS

Where Are All the Women CEOs?

The traditional stepping stones to the chief executive position are jobs responsible for the bottom line—such as head of division—and those roles are still overwhelmingly filled by men

By Vanessa Fuhrmans

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Why, when women earn the majority of college degrees and make up roughly half the workforce, do so few occupy the chief executive job?

Women today lead 167 of the country's top 3,000 companies. That's more than double the share a decade ago, but still under 6%.

For many, the barrier isn't only a glass ceiling at the very top, but also an invisible wall that sidelines them from the kinds of roles that have been traditional stepping stones to the CEO position.

A Wall Street Journal study of executives at the top companies, the biggest publicly traded firms by market value, shows that men on the way up overwhelmingly get the management jobs in which a company's profits and losses hang in the balance. So-called line roles with profit-and-loss, or P&L, responsibilities, such as heading a division, unit or brand, are what set executives on the CEO track.

Women promoted into C-suites—the “chief” jobs in companies—on the other hand, often fill roles such as head of human resources, administration or legal, according to an analysis for the Journal by Equilar Inc., a research firm that collects data on executives and boards. Though important functions, the jobs don't have profit-generating responsibility, and are rarely a path to running a company.

“You can have a seat at the table and not be a player,” said Jewelle Bickford, a partner at Evercore Wealth Management and co-chair of Paradigm for Parity, a coalition of business leaders aimed at closing the gender gap at the top of American companies. “The way you become a player, that usually comes with a P&L role.”

Over the past year, 307 companies in the Russell 3000 Index appointed new CEOs, according to Equilar. Only 26 of those were women—and 17 female CEOs stepped down or were ousted during that time. Last week, one of the most-prominent female CEOs, International Business Machines Corp.'s Ginni Rometty, announced she would step down in April after eight years.

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Why the careers of ambitious men and women often take such different turns comes down to an alchemy of early professional trade-offs, work-life constraints and entrenched attitudes concerning women in power and the traits that make a leader, according to interviews with more than two dozen CEOs, senior female executives, board directors and talent recruiters.

What's clear, many say, is that companies' initial moves to add more women to their senior ranks often have been haphazard—focused primarily on just getting at least one or two women onto leadership teams—and less a methodical effort to cultivate them for positions with the most power.

“The women who do make it to CEO, they're almost flukes because there's not a consistent pipeline being built,” said Jane Stevenson, vice chairwoman of board and CEO services at executive-recruitment firm Korn Ferry.

At Hershey Co., CEO Michele Buck is evidence of what strategic talent planning can bring. Under her male predecessor, J.P. Bilbrey, the candy giant began more systematically building a female talent pipeline to the C-suite. Five times a year, Ms. Buck, 58, and her executive team review the top 70 roles in the company. They discuss what career-critical assignments the men and women in those positions, and the high-potential talent just below them, should take on next to move higher, including by getting P&L experience.

Ms. Buck joined Hershey as its marketing chief in 2005. With Mr. Bilbrey's support, she moved on to become chief growth officer and then took major P&L roles, running Hershey's North American business and becoming its chief operating officer. In 2017, she became the company's first female CEO.

“I could easily see another female CEO in Hershey's future,” Ms. Buck said. “Our job is to ensure there is a highly qualified, diverse set of executives ready to lead this company.”

A 2019 study of more than 3,000 professionals by Working Mother Research Institute and the National Association for Female Executives, both divisions of Bonnier Corp.'s Working Mother Media group, suggests men and women receive very different career-building cues.

Men were three times as likely as women to have been encouraged to consider a P&L role and twice as likely to have been promoted or selected for leadership training in the past two years. Nearly half the men reported getting detailed advice at work on how to chart their path to a P&L



Michele Buck, CEO of Hershey, posed with candy mascots at the New York Stock Exchange in June. She meets with other executives at the company to review the career-critical assignments people need to move higher, to build a talent pipeline.

PHOTO: RICHARD DREW/ASSOCIATED PRESS

job, compared with 15% of women surveyed. More men than women said they had a strategic support network that included sponsors who championed them for promotions—among those in the early stages of their careers, nearly twice as many men said so, 79% vs. 45% of women.

A big obstacle for women is they are more likely to develop deep expertise in one area, say, marketing or finance, and move up the ranks boxed in certain roles, said Korn Ferry's Ms. Stevenson and others. "Women get trained around people; men get trained around the guts of the business"—in key operations or production roles, she said.

Patty Watson, a former Air Force flight commander who rose through the ranks at Bank of America, and then served as chief information officer at two other companies, aspires to become a CEO. At her last company, Total System Services Inc., or TSYS, she oversaw a third of the 13,000 employees and steered the card-payments company from its dependence on mainframes to cloud-computing. At 53, she feared it was too late to attain her ultimate career goal since she didn't have a major P&L role under her belt.

"I have been asking to run a business for years," said Ms. Watson. "But it takes someone who is willing to give you that opportunity."

Raised in a military family, Ms. Watson said her father, an Army colonel, instilled in her at a young age a desire to lead, which she came to see as creating the conditions for others to perform at their highest potential. "I grew up in this leadership laboratory," she said. As a tech executive at Bank of America, she was recruited into leadership-development programs, but with the aim of propelling her up the tech-management ranks.

It wasn't until she was chief information officer at security-services firm Brink's Co. in her 40s



Patty Watson was told she was too critical to the tech transformation under way at her company to switch positions at that point. ‘People say, “But you’re so good at this,”’ she said. ‘There’s a reluctance to let you do something else.’

PHOTO: DUSTIN CHAMBERS FOR THE WALL STREET JOURNAL



Why There Are So Few Women CEOs



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that she thought she could reach an even higher level. Her then-CEO, Tom Schievelbein, told her he wanted to include her in his succession plan. Ms. Watson eventually left the company amid an activist investor’s campaign.

She took the job at TSYS with assurances she would be on track to a P&L role. When an

opportunity came up two years later, her bosses told her she was too critical to the tech transformation under way to switch positions at that point. Ms. Watson believed the right chance would have come, but last year, TSYS agreed to be taken over by rival Global Payments Inc., and she left in October.

M. Troy Woods, former TSYS CEO and now chairman of Global Payments, called Ms. Watson a “great leader and valuable contributor” during her time at the company.

In hindsight, Ms. Watson said she wishes she had broadened her experience earlier. “When you’ve been doing something so long, people say, ‘But you’re so good at this,’ ” she said.

“There’s a reluctance to let you do something else.”

Readers Weigh In

What career lesson did you learn through experience that you wished you knew at age 25? Join the discussion below, or write directly to Vanessa Fuhrmans at vanessa.fuhrmans@wsj.com.

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“From what I can tell, the women featured here have already proven that they are committed in terms of hours, competitiveness and ambition, but they still aren’t making CEO of large corporations. How come?” — Megan Nelson

Recently Ms. Watson spoke with a male CEO who had made the jump from chief information officer to running a business to ask how he had pulled it off. “He said, ‘I told them I was going to leave if they didn’t give me a P&L to run with technology.’ And they did,” she said. “Women tend to believe if I just perform and do a great job, it will work out.”

Ms. Watson got her chance to run a business division in January: She joined cloud-based technology company Intrado Corp. as co-president of its enterprise-collaboration business.

The perils of being pigeonholed resonate even with women who have broken through to the top. “You hear it more in discussions about women, ‘They’re really good at that, let’s keep them

there,’ ” said Ellen Kullman, 64, former chief executive of DuPont Co. and, as of November, CEO of 3-D printing startup Carbon. She, along with Ms. Bickford of Evercore, is a co-chair of the Paradigm for Parity coalition.

Several years before being appointed DuPont’s CEO in 2009, Ms. Kullman said her then-boss suggested she move from running a business line to a staff role, such as HR, to round out her résumé. He reasoned that she would gain valuable experience wielding influence with leaders across the company.

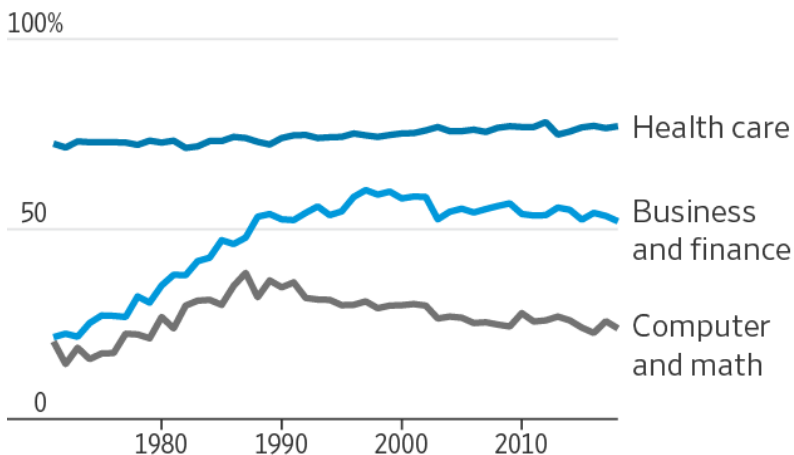
“But that’s not how I saw it,” she said. “Being one of the few women in senior leadership, I thought, if I give up my P&L, I’ll never get it back, and then I’ll lose my opportunity.” She kept her P&L role while adding new responsibilities and went on to bigger operational roles.

For nonwhite women, the trek to the top is even steeper. Women of color were less likely to say their bosses gave them opportunities to manage people and projects or helped them navigate corporate politics, in a 2019 survey of 329 major companies and more than 68,000 of their employees. They made up just 4% of C-suite roles, compared with 10% for men of color, according to the research by McKinsey & Co. and LeanIn.Org, a nonprofit that promotes the advancement of women at work.

WHAT 'WOMEN'S WORK' LOOKS LIKE NOW

Women make up about half of the U.S. workforce today, but many jobs remain largely segregated along gender lines. Explore the fields in which women have made the most inroads, and the least.

Share of women in each occupation field



Source: Labor Department

A recent study of more than 2,600 senior executives assessed by leadership advisory firm ghSMART for various C-suite roles found women were just as likely as men to possess the mix of skills and charisma that predicted a future chief executive. The female CEO candidates were still 28% less likely to become CEOs than their male peers, the study, conducted by researchers at the University of Chicago and Copenhagen Business School, found.

Within its U.S. executive-search practice, it has taken Korn Ferry an average of 269 days to place a female CEO, compared with 207 days to put a man in the job, which it attributes to boards remaining hesitant to pick a woman for the chief role.

Some of the disparity comes down to biases about women's ambition, said Barbara Yastine, a Wall Street veteran and, until 2015, head of auto-loan giant Ally Financial's banking unit.

"If a man has any job, no matter how great that job is, there is a working assumption that he will always be interested in something better," she said. With a senior woman, she said, "people largely think, 'Oh she's already got a good job, so let's just move on.'"

Ms. Yastine, 60, joined Ally as chief administrative officer in 2010 after various finance roles at Citigroup Inc. and as chief financial officer of what was then Credit Suisse First Boston. She had another offer with the potential to move higher, so before signing, she met with each Ally board member and asked to be given opportunities to demonstrate she could be a serious CEO contender. "They all said, 'Oh, of course,'" she said.



Ellen Kullman, former CEO of DuPont and now CEO of 3-D printing startup Carbon, said in an earlier position she resisted moving away from a profit-and-loss role, and instead added new responsibilities.

PHOTO: RACHEL BUJALSKI FOR THE WALL STREET JOURNAL

As Ally hit turbulence in its rebound from the financial crisis, though, Ms. Yastine was often asked to take on the tough cleanup jobs, important work but not the high-profile kind that would put her in the running for chief. That included the complex, multiyear process of rebuilding and repairing the regulatory standing of Ally Bank, then primarily an internal funding source for Ally Financial.

A few years in, just before Ally was about to go public and conclude the government bailout it had received, the company suddenly announced another finance executive would take over Ally's dealer financial-services business, a strong signal he was the CEO-apparent. The move and its timing, right before the IPO roadshow, came as a surprise, Ms. Yastine said. She left 10 months later, shortly after the executive, Jeffrey Brown, was named Ally's CEO.

Ally declined to comment on Ms. Yastine's experience but said developing female leadership at the company has been a major focus.

Some female executives are leaving traditional corporate life, sometimes for private equity or to start their own ventures. A 2018 Network of Executive Women analysis of hiring, promotion and turnover data for 400,000 employees at eight major retail and consumer-goods companies found senior women left their jobs at nearly four times the rate of their male colleagues: 27% vs.



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PHOTO: ELIZABETH D. HERMAN FOR THE WALL STREET JOURNAL

Kim Feil, a former chief marketing officer at OfficeMax, Walgreens and Sara Lee Corp., said that after her last major-company job ended, taking an offer to be CEO of a small startup was a refreshing alternative to the sharp elbows she sometimes encountered in her previous career.

“I’ve been questioned and challenged in ways that are questioning my business acumen, my numbers,” she said, even in roles where she did have P&L responsibility.

Heading into one high-level meeting, she recalls, one CEO pulled her aside and instructed her not to do any talking. “I asked him, ‘Would you say that to any of the guys in the room?’ ” She said he portrayed the comment as well-meaning advice. After her CEO stint at the startup, she became a lead investor and marketing chief at Aspire, an energy-drink venture, and aims to head a venture-equity firm focused on women-owned companies one day.

“When you face walls, you turn to other opportunities,” said Ms. Feil, who is 61.

The glass-ceiling concept has been an issue for decades. The term, used to describe the barriers faced by women as they try to climb the career ladder, first came to wide attention in a Wall Street Journal article more than 30 years ago.

A traditional obstacle for women's advancement in the workplace has been their responsibilities in family life. Conventional wisdom holds that women lower their aspirations with age and motherhood, forgoing more time-consuming executive jobs or international postings that keep them on the leadership track. Data show that women continue to face much more of a work-life crunch than men, especially at the top. The McKinsey-Lean In study found that among senior female executives in relationships, 72% had partners with full-time careers, twice as many as their male peers.

But a recent Boston Consulting Group study of more than 200,000 employees at a range of companies suggests it is corporate cultures that make the difference for women and their ambition. In workplaces where men and women said their company had made good progress on diversifying their top ranks, 85% of midcareer women reported they sought a higher leadership position, nearly equal to the 87% of men who said so. At companies that scored poorly on gender diversity, only 66% of women did, compared with 83% of men.

"We're not doing enough at companies to put action plans in place" to cultivate high-potential women, said Caroline Feeney, CEO of Prudential Financial Inc.'s Individual Solutions group, its consumer products and services business. "But it's so important. I know, because I've lived it."

Ms. Feeney, age 50, became in 2017 the first woman to lead Prudential's life-insurance business, a precursor to her bigger role now. She had risen through the ranks in sales management, instead of as an actuary, the typical path to big P&L roles in insurance. But she had worked closely with the then-head of life, who saw her potential. When he stepped down, Ms. Feeney said, he championed her for a smaller P&L role, running the national sales organization while allowing her to work closely with his direct successor to become well-versed in the financials of the business.

The experience put her in place to take over the life business, and since 2018, her current role. Her successor in life insurance, also a woman who came up in sales, was trained in a similar fashion, and several other women also lead major businesses at Prudential. The effort hasn't been about putting people in roles they aren't ready for, she said, but about rethinking one-size-fits-all paths to leadership designed when it was mostly men in her field.

"There's been a concerted effort to look at people with a different lens," she said. In the process, she has come to see becoming a company CEO some day as a viable goal. "If you'd asked me five years ago, could I ever see myself in the role I'm in today or a CEO role at Prudential, I would have said, no. But my thinking has evolved."

For decades, the vaunted leadership model in oil and gas has been someone who is "aggressive, take-charge, has all the answers," said Mike Wirth, chief executive of Chevron Corp. Recently, Chevron asked an outside firm to assess its high-potential managers incorporating a broader set of metrics, including accountability and consensus-building. Women scored much higher



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PHOTO: ELIZABETH D. HERMAN FOR THE WALL STREET JOURNAL

than before in its internal leadership assessments.

"So why didn't we see that? We know these people and work with them," he said. "That's where unconscious bias comes in."

With the help of the data, Mr. Wirth said, Chevron is mapping leadership paths for many of those women and has doubled the number of women in the pipeline for the several dozen highest-level roles in the company. Women like Liz Schwarze, vice president of global exploration, and Kim McHugh, vice president of drilling, now make up 22% of senior positions, up from 15% a decade ago. Women are still a minority at the top of the male-dominated business, since many of those roles require an engineering background and federal data show women still account for only 17% of petroleum engineering graduates.

"These are the tough jobs, and every one of these women are in those positions because they are that good," Mr. Wirth said. For younger women coming up inside Chevron, they are critical role models of how they, too, can chart a career to the top, he added. "In the future I want even more women in those jobs."

Eight years ago, pharmaceuticals company Sanofi SA took a close look at its talent pipeline and found that like in much of its industry, it had a lot of women in entry-level and junior

management roles. But the percentage of women shrank every step up the management ladder. The drop-off was steepest just below the senior-leadership level, so Sanofi launched an intense six-month leadership program for its high-potential women.

The several dozen women who participate each year get executive coaching and tackle a high-level assignment in another part of the business. Just as crucial is the extra face-time they get with top leaders, who are potential sponsors to champion them for future promotions.

Of the 92 women who have participated since the program went global in 2018, one-third have since been promoted. Sanofi has also systematically added more women to its succession plans for top roles and hired some from the outside. All five of its North American business units are now run by women. Five years ago, none was.

The company “has made it a top priority and put metrics behind it. That’s a first step,” said Michelle Carnahan, Sanofi’s North American head of primary care. “It doesn’t happen by itself.”

*METHODODOLOGY

Research firm Equilar Inc., on behalf of The Wall Street Journal, calculated the percentage of women in various C-suite roles at public companies in the current Russell 3000 Index, which includes the vast majority of companies traded on major U.S. stock exchanges, for the years ending July 31, 2010, to July 31, 2019.

Equilar compiled the names, genders and positions of the top five executives of each company as listed in annual proxy statements filed to the U.S. Securities and Exchange Commission. Companies that didn’t file a proxy statement in a given year, because of a merger, delisting or other reason, weren’t included in the data for that year. The proxy statements include a company’s CEO, CFO and the three other most-highly compensated executives, and don’t necessarily include a company’s entire executive leadership team. The Journal classified roles into profit-and-loss jobs or other roles, some of which might include indirect responsibilities for profits.

—*Graphics by Stephanie Stamm*

Write to Vanessa Fuhrmans at vanessa.fuhrmans@wsj.com

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